

Hailing from the hometown of basketball, it's fitting that Rep. Richard Neal (D-MA) is playing the role of point guard on taxes. As Select Revenue Measures Subcommittee Chairman, Neal is tasked with moving the ball on a host of the new Democratic majority's top tax issues from the Alternative Minimum Tax to Energy to Housing. Getting his start in government as a local elected official in Springfield, MA — site of the Basketball Hall of Fame — Neal prides himself on being a consensus builder, a skill he's already demonstrated working with his fellow Democrats and that he plans to strengthen by working with Republicans to reach an accord on the myriad issues before the committee. We recently sat down with Neal to find out his game plan.

You're the newly installed chairman of the Select Revenue Measures Committee. What does it feel like?

Well it's exciting, particularly after having been in the minority for twelve years. I think there is great promise for the Committee and I've taken the cue from the Chairman and decided to try to proceed on a bipartisan basis.

How has that worked out?

So far, so good. We have certainly received a lot of great comments based upon the fact that we have opened this process up and provided an opportunity for witnesses that might not share our opinion. But we have done the witness preparation in cooperation with the Republican minority. And you know what, for having been on the Committee now for fifteen years, it's pretty nice to be a Subcommittee Chairman.

What was one of the first things you did, issue wise, when taking over and where do you want to go now?

Well we decided to proceed and move forward on the Alternative Minimum Tax and that seems to have come together nicely. Not only did we complete the hearings, but we have reached consensus within the Committee, as Democrats, on how to go forward. We have taken the argument to the broader sectors of our caucus at small get-togethers. And so far I can say that there is not one dissenting voice.

If we could step back for a minute, why that issue?

I have staked much of my career here on it, I've been at it for nine years. And I regularly challenged the GOP Majority at that time to do something about the encroaching AMT. And I take some satisfaction that nine years ago I warned

members of the Committee and the public as to what was coming on the AMT, and it's here.

What is that consensus that has been reached that you talked about?

Well I think that we have reached consensus on making sure that joint filers who have income under \$250,000 will never feel the bite of AMT again. And we feel that people with incomes between \$250,000 and \$500,000 should pay less. We have decided to return the AMT to its original intent. And we also think that there is an opportunity here to do something more substantial in the sense that by raising the standard deduction we can help out more than 50 million people. And we should increase the Earned Income Tax Credit for single filers and expand the refundable child tax credit. And what we are really doing here is saying we are prepared to offer tax relief to 90 million Americans.

So it sounds like this is good policy, is it also good politics for the new Democratic majority?

Yeah, I think it is. I think that one of the problems that we have had in modern politics in Washington, is to adopt slogans and then not let reality get in the way of the slogan. And I think that the argument that we had during the Clinton years was that we would be fiscally responsible and we were. And the economy soared. So I think that we have always argued, incidentally it's an argument that I made personally to President Bush within days of his inauguration, that we should be able to find common ground on tax cuts. There was certainly enough revenue to provide tax relief to middle income Americans and the President rejected that position, and instead proceeded to side with wealthy Americans. And his tax cut proposal of \$1.3 trillion has really caused deficits to soar, after years in which we had eliminated the deficits and were paying down the national debt. And Cheney's position was that deficits don't count, but as Democrats during the Clinton-Rubin years, we thought deficits counted.

Everybody is talking about fiscal responsibility and paygo, but there are all these worthwhile programs that the Democrats for twelve years have said that we need more money for. How difficult is it to balance those three things?

It's going to be difficult. But at the same time I think that we are obligated to try and get it done. And I think the country has been on a course that was fiscally reckless. And as a reminder, by the way, before Iraq is over, we are going to see a cost well over a trillion dollars. And much of that money has been borrowed.

So we are going to be paying for Iraq for a long time?

The President made it pretty clear that this will be another Korean War in terms of troop occupation and that means we have got 50 years to go.

Lets get back to the AMT a little bit, and actually before that, you talked about how you made the case to the President that there can be common ground on tax cuts. Do you think that common ground can be found with the Republicans on the AMT proposal?

Well I am hopeful largely because there are some congressional districts that are going to be widely impacted if we don't act.

Republican Congressional districts? Like who?

Republican congressional districts as well, for sure. I mean it's pretty clear that Eric Cantor of Virginia has a significant AMT challenge; Tom Reynolds of New York has a significant AMT challenge. And there is a couple more; Jim Ramstad of Minnesota has one. So I want to find common ground, for these are pretty nice people.

So you are hopeful that they will work with you not only to do what sounds like good policy, but what is really good politics for them back home.

Great achievements generally require bipartisan solutions.

When do you think we will see full Committee on the AMT?

Well the Majority Leader and the Chairman of the full Committee, Mr. Rangel, they have indicated July looked as though it would be the time to move the bill.

And do you think that schedule will be met?

Yes.

Other than AMT, what else are you looking at?

I am excited about energy, and particularly excited – as a former mayor – about housing. I mean that ought to be a topic in America that we can all rally around and I've had conversations upon completion of our hearings. I had a conversation with Financial Services Chairman Barney Frank (D-MA) and conversations with Chairman Rangel and I am very excited about the prospects of getting some housing incentives worked on.

What do you think can be done?

Well, I think, obviously one of the things I would like to do is to generate more housing, but the key there is at an affordable level. We are trying to help people get into the market for the first time. So that is currently what we are examining.

You were a City Council Member and a Mayor before coming here, how do you think your experiences in the big office at City Hall shape how you approach your job as a member of Congress.

You are certainly more mindful of dissent. And at the same time, one of the things that you do in the mayor's office is once you reach consensus, you go forward. And Congress is a more patient institution compared to a Mayor's job. But nonetheless, I think being a mayor is like being a conductor of a big orchestra. Trying to create a symphony, it means that everybody has got to be hitting the right note.

Is being the Chair of the Subcommittee making you think back to that job a little bit more?

It does, I mean, you are always mindful that to be a good leader you really have to be a good listener too. And often times there is an argument that you have not perhaps thought of, that's raised and you want to take advantage of that good argument.

Energy, what do you hope to see on that front?

Well, obviously I like the renewable concept; I think weaning ourselves away from oil dependence is a very good idea. I think that the White House has even grudgingly acknowledged, after six-and-a-half years of intransigence, that there might be a problem of global warming. And I think we should accept the President and his word on that, and try to find some common ground and go forward.

With the political calendar kicking off with the Presidential elections, are we under a lot of pressure to get things done quick and get them over to the Senate, like on the AMT, and...

I am more interested in making sure these things get done right. And the Ways and Means Committee has a remarkable history of producing legislation consistently, even in the face of doubts or the inability of other Committees to get legislation out. Our history is one of meeting the challenge presented to us.